



COMMONWEALTH of VIRGINIA
Department of Planning and Budget

Richard D. Brown
Director

200 N. Ninth St., Room 418
Richmond, VA. 23219

April 24, 2003

MEMORANDUM

TO: Agency Capital Outlay Director

FROM: Richard D. Brown
Director, Department of Planning and Budget

SUBJECT: 2004 Maintenance Reserve Plan Annual Update

The purpose of this memorandum is to provide guidance for the preparation of your agency's 2004 maintenance reserve plan. The timetable for submitting your agency's annual update of its maintenance reserve plan has been advanced in order to meet the deadline for the Governor's submission of the six-year Capital Improvement Plan (CIP). Please send an electronic update of your maintenance reserve plan via e-mail to capitalbudget@dpb.state.va.us no later than **July 9, 2003**. The attached instructions include details regarding this update. If you have any questions, please call or e-mail your DPB budget analyst.

Attachment

Instructions for the 2004 Annual Update to Agency Maintenance Reserve Plans

I. Introduction

In order to maintain current and accurate information on the need for maintenance reserve funding, your agency must update its maintenance reserve plan annually. This package provides guidance and instructions for preparing your 2004 maintenance reserve plan. This plan will include:

- All validated subprojects in your current plan that were active as of July 1, 2002.
- Any new maintenance reserve subprojects submitted during the past year that DPB has validated as meeting the maintenance reserve criteria.
- The new 2004-2006 maintenance reserve subprojects submitted in your 2004-2010 six-year capital plan that DPB has validated as meeting the maintenance reserve criteria.

The DPB Form MR-3 is a Microsoft Access document that will be used by agencies to provide the following information about their annual maintenance reserve plans: (1) the agency's total maintenance reserve need by general and nongeneral fund; (2) its progress in completing subproject design and construction; and (3) a ranking of the agency's validated, active subprojects in priority order, regardless of when the subproject was initially validated.

II. Key Dates for Update of Agency Maintenance Reserve Plans

April 30, 2003	Agencies receive instructions for updating their 2004 maintenance reserve plans.
June 16, 2003	DPB notifies agencies of validated maintenance reserve subprojects for the 2004-06 biennium.
July 1, 2003	Second year allocation of 2002-2004 maintenance reserve funding is made available to agencies.
July 9, 2003	Agencies submit DPB Form MR-3 (via e-mail) containing their updated 2004 maintenance reserve plan.

III. Updating the Maintenance Reserve Plan

The starting point for your 2004 maintenance reserve plan update is the 2003 plan update. Your DPB budget analyst will send you an electronic copy of your Form MR-3 update from last year. If needed, a blank DPB Form MR-3 (Access form) is available from the DPB web site at www.dpb.state.va.us.

The first step in updating your agency's maintenance reserve plan is to remove those subprojects identified in your 2003 plan update as either completed or to be deleted. The second step is to add any subprojects that were approved between July 1, 2002, and June 30, 2003.

Next, double check the database to ensure that it shows all of the validated maintenance reserve subprojects that will be active on July 1, 2003. It should not include any requested subprojects that have not been validated by DPB. (**All requests for new maintenance reserve subprojects must be submitted to DPB on Form MR-1.**) Finally, you will need to add all subprojects included in your 2004-2006 capital outlay plan that were validated by DPB.

Once you are satisfied that the plan contains all of the appropriate subprojects, the information on the Form MR-3 should be updated or completed for newly added subprojects. The form should be self-explanatory and includes several dropdown menus for your convenience.

Agency Code: Enter the three-digit agency code.

Agency Name: Enter the official agency name.

Project Code: Enter the five-digit maintenance reserve project code for your agency.

Subproject Number: To accommodate internal accounting systems, there are two ways that you can assign a subproject number. First, you may continue to use the eight-digit control number for the subproject that was used in the past. The old eight-digit number begins with the three-digit agency code, is followed by the two digits for the first year of the biennium in which the subproject was validated, and concludes with the next number in sequence for that biennium. Or you can sequentially number existing and newly-validated projects contained in the current 6-year plan with an eight digit number composed of the agency number and five digits starting with 00001.

Subproject Title: Enter a short descriptive title for the subproject.

Biennium: Please choose the biennium in which the subproject was validated from the dropdown menu provided.

Subproject Status: Indicate the status of **each** subproject on July 1, 2003, as follows:

- “**Active**” to denote that the subproject is still active;
- “**Complete**” to denote that the subproject is completed; or,
- “**Delete**” to denote that the subproject should be deleted from the maintenance reserve plan because the agency no longer has plans to proceed with that subproject.

Affected Facility and Subproject Location: Please identify the building or facility affected by the subproject and the locality of the facility.

Priority Number: Renumber all **active** subprojects in priority order regardless of biennium.

When prioritizing your subprojects, §4-4.01 5c of the Appropriation Act requires that necessary roof repairs must be given first priority for repair or renovation.

However, do not assign priority “1” to all roof repairs. Roofing projects require **unique** priority numbers like all other subprojects. For example, if you have five roofing subprojects, they must be assigned priorities one through five. Also, do not assign a priority number to subprojects that you have shown to be completed or deleted.

Design Group: Dropdown menu

Design Percent Complete: Refers to the percentage of the design work completed as of June 30, 2003.

Construction group: Dropdown menu

Construction Percent Complete: Refers to the percentage of the construction completed as of June 30, 2003.

Estimated GF Cost, NGF Cost, and Total Cost: Enter in the estimated GF and estimated NGF fields the cost of the subproject. Total cost is a calculated field and no entry is needed. These amounts should include costs for design, construction, inspection, in-house support, testing fees, and contingencies. For work accomplished in-house, the cost would include all materials, equipment rental, and any trade contracts that are part of the subproject. If the subproject is under contract, enter the contract amount. Otherwise, the costs should reflect the most recent cost estimates.

If you have indicated that a subproject should be deleted from your maintenance reserve plan, enter a **ZERO** in these columns.

Lifetime-to-Date Expenditures GF, NGF, and Total Expended: Enter in the LTD expenditures GF and LTD expenditures NGF fields the total amount that was expended for the subproject as of June 30, 2003. Total expended is a calculated field and no entry is needed. **This amount must reflect expenditures for the total life of the subproject and not just the amount expended in the fiscal year just completed.**

If you have indicated that the subproject has been completed, the amount you enter in these columns should equal the total cost for the subproject.

If you have indicated that a subproject is to be deleted from your maintenance reserve plan, enter a ZERO in these columns.

Staff Information: The first section may be used for comments. If the subproject's cost estimate **varies by more than 10 percent (plus or minus)** from the estimate submitted in your 2003 plan update, provide an explanation for this difference. **In addition to an explanation of significant variances in a subproject's cost, please use this section to clarify other entries, clarify a change in the subproject's priority, or to explain a lack of progress on a particular subproject since the last report.**

Please complete the rest of the form pertaining to staff information.

IV. Submitting the Maintenance Reserve Update

- Submit the updated maintenance reserve plan (DPB Form MR-3) as an e-mail attachment to DPB at (capitalbudget@dpb.state.va.us) ***no later than July 9, 2003. The subject of your e-mail should include the agency three-digit code and a reference to the MR-3.***